

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

IN THE MATTER OF:) IN CHAPTER 7
)
 PACKAGING ADVANTAGE, INC.,) **16-24295**
)
 Debtor(s).)

NOTICE

TO: Office of the United States Trustee – Service through CM/ECF
Mr. Robert Rotman– Service through CM/ECF

PLEASE TAKE NOTICE that on the 19th day of January, 2018 at the hour of 11:00 a.m. or as soon thereafter as counsel may be heard, I shall appear before the Honorable JANET S. BAER, Bankruptcy Judge, at the Kane County Courthouse, 100 South Third Street, Courtroom No. 240, Geneva, Illinois, or before such other Judge as may be sitting in her place and stead, and then and there present the attached Application, at which time and place you may appear, if you so see fit.

/s/GINA B. KROL
GINA B. KROL
105 W. Madison St., Suite 1100
Chicago, IL 60602
312/368-0300

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

GINA B. KROL, being first duly sworn on oath, deposes and states that she served a copy of the foregoing Notice together with a copy of the Application attached hereto on the persons shown above, via CM/ECF System and/or US Mail, this 11th day of December, 2017.

/s/ GINA B. KROL

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

IN THE MATTER OF:)	IN CHAPTER 7
)	
PACKAGING ADVANTAGE, INC.,)	No. 16-24295
)	
Debtor(s).)	

**TRUSTEE'S APPLICATION TO ACCEPT SETTLEMENT AND COMPROMISE AND
TO SELL ASSETS**

TO THE HONORABLE **JANET S. BAER**
BANKRUPTCY JUDGE

Now comes **GINA B. KROL**, Trustee herein, and respectfully represents unto this Honorable Court as follows:

1. She is the duly appointed, qualified and acting Chapter 7 Trustee in the above-entitled proceeding.
2. The Trustee has reviewed the books and records of the Debtor and has discovered that the Debtor had made a payment to Source One, a creditor herein, in the amount of \$40,838.14 within the 90 days immediately preceding the Chapter 7 filing.
3. The Trustee has determined that this payment constitutes a preferential transfer within the meaning of 11 U.S. C. §547 and has made demand on Source One for the return of said funds. Source One has disputed the Trustee's determination that the payment qualifies as a preferential transfer.
4. That given the costs to litigate the avoidance of the alleged preferential transfer and the risk of losing at trial, the Trustee has agreed to reduce her demand for turnover by 25% and accept the sum of \$30,628.61 to fully and finally settle the potential preference litigation.

5. Prior to the filing the Debtor and Source One were engaged in litigation. In that litigation, Source One alleged that the Debtor's principals, Dorothy Curtis and Nancy Rasmussen breached their fiduciary duties and made unlawful distributions to themselves and or insiders.

6. Source One has urged the Trustee to take on that litigation in an effort to recover additional funds for the creditors of this Estate. The Trustee does not believe it's in the best interests of the Estate to expend Estate funds to pursue this litigation.

7. The Trustee has negotiated a sale of that cause of action with Source One where it would pay the Estate the sum of \$10,000.00 to purchase all of the Estate's interest in that cause of action.

8. The Trustee believes that the sale of this litigation to Source One results in a benefit to the Estate without the risk of expense or loss and that acceptance of this offer is in the best interests of creditors herein.

9. The Trustee recommends the acceptance of the \$10,000.00 from Source One. The Trustee makes no representations or warranties of any kind with respect to value or validity of these claims.

10. If approved the settlement and sale will result in a meaningful dividend to creditors of this Estate.

WHEREFORE, GINA B. KROL, Trustee herein, prays for the entry of an Order authorizing the Trustee to compromise the potential avoidance of a preferential transfer made by the Debtor to Source One for the sum of \$30,628.61; sell the Debtor's right, title and interest in litigation against Dorothy Curtis and Nancy Rasmussen for breach of fiduciary duties and improper distributions to Source One for the sum of \$10,000.00 ,

without representations or warranties of any kind as to value or validity of these claims;
and for such other and further relief as the Court shall deem proper.

GINA B. KROL, Trustee

GINA B. KROL
COHEN & KROL
105 W. Madison St., Suite 1100
Chicago, IL 60602
312/368-0300

BY: /s/ Gina B. Krol
One of Attorneys for Trustee